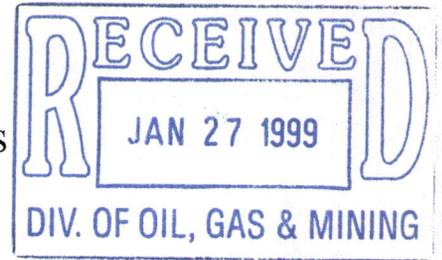


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple – Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/98 To (mo./yr.) 12/98
2. DOGM File Number (Mine No): M/4700/32
3. Mine Name: AROC #1 / Asphalt Ridge Tar Sand
4. Mineral(s) Mined (or permitted to mine): Tar Sand
5. Type of mine: Surface Mine or Underground Mine
6. Legal Description (Location of Lands Affected):
1/4, 1/4, NE 1/4, Section 31, Township 4S, Range 21E
1/4, 1/4, SE 1/4, Section 30, Township 4S, Range 21E
1/4, 1/4, Section _____, Township _____, Range _____
7. Name of Operator or Company: Crown Asphalt Corporation
8. Permanent Street Address: 215 South State Street, Suite 550
City, State, Zip: Salt Lake City, Utah 84111
Phone: (801) 537-5610
Company Representative (or designated operator):
Name: Jay Mealey
Title: President
Business Address: 215 South State Street, Suite 550
City, State, Zip: Salt Lake City, Utah 84111
Phone: (801) 537-5610

Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes No
2. If no – what was the last year of activity? _____
3. If yes – how much ore or mineral was mined? 35820 tons

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

The majority of the work performed consisted of removing over burden and topsoil moved by Uintah County. Topsoil stockpiles were created while the waste was backfilled into the existing pit.

5. How much **additional acreage** was disturbed during the past year? 0 Acres

6. How much acreage was **reclaimed** during the past year? 0 Acres

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

Topsoil stockpiles were seeded this Fall. Results will not be available until the upcoming growing season.

8. What is the **total disturbed acreage of the entire project** at years end? 23 Acres.

9. Briefly summarize any mining and / or reclamation plans for the upcoming year.

Mining will continue with section 31. All topsoil removed will be stockpiled and re-vegetated to stabilize stockpile.

NOTE: Section III., "Additional Information" applies only to **large mining operations.**

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Weston Norris

Title of Operator: Resident Mine Engineer

Signature of Operator: Weston Norris

Date: 1/26/99

